

**INDEPENDENT AUDITORS' REPORT ON  
THE FINANCIAL STATEMENTS  
OF  
WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
JUNE 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/2/08

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**WEST CALCASIEU PARISH  
COMMUNITY CENTER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

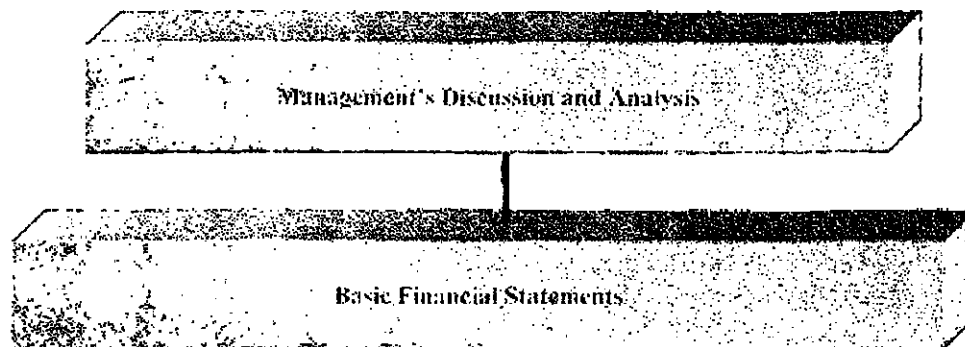
The Management's Discussion and Analysis of the West Calcasieu Parish Community Center Authority's financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority's assets exceeded its liabilities at the close of the fiscal year 2007 by \$8,743,010. Of this amount, \$4,170,351 (unrestricted net assets) may be used to meet the Authority's ongoing obligations to its users.
- The changes in net assets decreased by \$210,017, resulting from a decrease of \$113,609 in capital contributions from the State of Louisiana, an increase of operating revenues of \$93,570, an increase of operating expenses of \$242,008, and an increase of interest income of \$43,194.
- This year included facility revenues of \$102,936 and concession revenues of \$87,246, with operating expenses increasing by \$242,008, including the depreciation increase of \$80,012.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU PARISH  
COMMUNITY CENTER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

**Basic Financial Statements**

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (page 7) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 8) presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 9) presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

**FINANCIAL ANALYSIS OF THE ENTITY**

	06/06	06/07
Current and other assets	\$ 3,913,845	\$ 4,207,486
Restricted Assets	359,148	213,174
Capital assets	6,696,222	6,596,800
Total Assets	10,969,215	11,017,460
Other Liabilities	507,708	439,450
Long-term debts outstanding	2,245,000	1,835,000
Total Liabilities	2,752,708	2,274,450
Net Assets:		
Capital Assets- Net of Related Debt	4,066,222	4,351,800
Restricted	359,148	220,859
Unrestricted	3,791,137	4,170,351
Total Net Assets	\$ 8,216,507	\$ 8,743,010
Hotel/Motel Tax Revenue	\$902,500	\$ 947,370
Capital Contributions	113,609	-
Parish Revenue	110,000	100,000
Interest Income	127,095	170,238
Facility Revenue	78,861	102,936
Concession Revenues	62,621	87,246
Total Revenue	\$1,394,686	\$1,407,790

**WEST CALCASIEU PARISH  
COMMUNITY CENTER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2007**

	<u>06/06</u>	<u>06/07</u>
Operating Revenues	\$1,043,982	\$1,137,552
Operating (Expenses)	(514,813)	(756,821)
Net Operating Income/(Loss)	529,169	380,731
Non-operating Revenues	237,658	270,784
Non-operating (Expenses)	(143,916)	(125,012)
Net Non-operating Income/(Loss)	93,742	145,772
Capital Contributions	113,609	-0-
Net Increase/(Decrease) In Net Assets	<u>\$736,520</u>	<u>\$526,503</u>

The overall financial position of the Authority declined in the year, primarily due to the decrease in hotel/motel tax revenue and State of Louisiana capital contributions and additional costs associated with the operations of the arena.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2007 the Authority had \$6,596,800 in capital assets, net of accumulated depreciation. (See table below). This amount represents a net increase (including additions and deductions) of \$99,422 over last year.

	<u>06/06</u>	<u>06/07</u>
Construction in Progress	\$ 46,158	\$ 46,158
Land	828,901	828,901
Buildings	5,469,982	5,469,982
Land Improvements	345,330	360,804
Furniture and Equipment	214,006	367,367
Vehicle	44,297	44,297
Less Accumulated Depreciation	<u>(252,452)</u>	<u>(520,709)</u>
Totals	<u>\$ 6,696,222</u>	<u>\$ 6,596,800</u>

This year's major capital additions included above were:

Land improvements	\$ 15,474
Arena furniture and equipment	\$ 153,361

As of June 30, 2007, the total contracted amount, with change orders, for the conference center project was \$ 7,418,252 of which \$ 46,158 had been paid.

#### **Debt Administration**

The long-term debt balance decreased \$385,000 as principal was paid on the excess revenue bonds, decreasing the balance from \$2,630,000 to \$2,245,000 in the current year.

#### **CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adrian Moreno, West Calcasieu Parish Community Center Authority.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS**

To the Board  
West Calcasieu Community Center Authority  
Sulphur, Louisiana

We have audited the accompanying financial statements of West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana as of and for the year ended June 30, 2007 as listed in the table of contents. These financial statements are the responsibility of the West Calcasieu Parish Community Center Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Authority's June 30, 2006 financial statements and, in our report dated December 19, 2006 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Calcasieu Parish Community Center Authority as of June 30, 2007 and results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2007 on our consideration of West Calcasieu Parish Community Center Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of the audit.

The Management's Discussion and Analysis and supplemental information schedules on pages 2 through 5 are not a required part of the financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*  
December 31, 2007

Members  
American Institute of Certified Public Accountants  
Louisiana Society of Certified Public Accountants

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY**

**CALCASIEU PARISH, LOUISIANA**

**STATEMENT OF NET ASSETS**

**June 30, 2007**

**with Comparative Totals for June 30, 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents (Note 2)	\$ 1,579,083	\$ 1,331,689
Investments (Note 3)	2,109,619	2,075,964
Miscellaneous Receivable	282	148
Taxes Receivable	462,710	448,232
Prepaid Insurance	20,634	16,300
Concession Inventory	<u>4,444</u>	<u>4,444</u>
Total Current Assets	4,176,772	3,876,777
<b>Restricted Assets:</b>		
Cash and Cash Equivalents - Restricted (Note 4)	213,174	359,148
<b>Property and Equipment:</b>		
Building	5,469,982	5,469,982
Construction in Progress	46,158	46,158
Land	828,901	828,901
Land Improvements	360,804	345,330
Furniture and Equipment	367,367	214,006
Vehicle	44,297	44,297
Less Accumulated Depreciation	<u>(520,709)</u>	<u>(252,452)</u>
Net Property and Equipment	6,596,800	6,696,222
<b>Other Assets:</b>		
Other Bond Issue Costs (net of \$26,617 amortization)	<u>30,714</u>	<u>37,068</u>
Total Assets	\$ <u>11,017,460</u>	\$ <u>10,969,215</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

**Current Liabilities (Payable from Current Assets):**

Accounts Payable	\$ 6,461	\$ 3,810
Payroll Taxes Payable	4,594	4,295
Sales Tax Payable	1,089	-
Deferred Income	<u>-</u>	<u>94,330</u>
Total Current Liabilities Payable from Current Assets	12,144	102,435

**Current Liabilities (Payable from Restricted Assets):**

Interest Payable - Bonds	17,306	20,273
Bonds Payable - Current (Note 7)	<u>410,000</u>	<u>385,000</u>
Total Current Liabilities Payable from Restricted Assets	427,306	405,273

**Bonds Payable - Long-Term (Note 7)**

	<u>1,835,000</u>	<u>2,245,000</u>
Total Liabilities	2,274,450	2,752,708

**NET ASSETS**

Invested in Capital Assets, net of related debt	4,351,800	4,066,222
Restricted for Construction Costs	7,685	164,879
Restricted for Debt Service	213,174	194,269
Unrestricted	<u>4,170,351</u>	<u>3,791,137</u>
Total Net Assets	<u>8,743,010</u>	<u>8,216,507</u>
Total Liabilities and Net Assets	\$ <u>11,017,460</u>	\$ <u>10,969,215</u>

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY**  
**CALCASIEU PARISH, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS**  
**For the Fiscal Year Ended June 30, 2007**  
**with Comparative Totals for June 30, 2006**

<b>Operating Revenues:</b>	<b>2007</b>	<b>2006</b>
Taxes - Hotel/Motel	\$ 947,370	\$ 902,500
Facility Revenues	102,936	78,861
Concession Revenues	87,246	62,621
Total Operating Revenues	1,137,552	1,043,982
<b>Operating Expenses:</b>		
Advertising and Promotions	9,051	10,212
Communications	5,973	6,530
Cost of Sales - Concessions	54,934	38,535
Depreciation	268,257	188,245
Dues and Subscriptions	1,078	609
Insurance	42,822	32,012
Maintenance of Property and Equipment	43,618	21,261
Other Expenses	2,124	1,043
Payroll and Related Benefits	166,864	128,459
Professional Fees	84,682	22,072
Rentals	6,938	1,117
Supplies	8,842	12,612
Training and Safety	500	1,212
Transportation, Lodging & Meals	15,583	13,479
Travel	1,367	-
Utilities	44,188	37,415
Total Operating Expenses	756,821	514,813
Operating Income (Loss)	380,731	529,169
<b>Nonoperating Revenues (Expenses):</b>		
Intergovernmental - Parish Revenue	100,000	110,000
Amortization Expense	(6,354)	(6,354)
Interest Expense - Bonds	(118,658)	(135,708)
Interest Income	170,238	127,095
Other Income	546	563
Loss on Disposal of Fixed Assets	-	(1,854)
Total Nonoperating Revenues (Expenses)	145,772	93,742
Income Before Contributions	526,503	622,911
State of Louisiana Capital Contributions	-	113,609
Change in Net Assets	526,503	736,520
Net Assets - Beginning of Year	8,216,507	7,479,987
Net Assets - End of Year	\$ 8,743,010	\$ 8,216,507

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY**  
**CALCASIEU PARISH, LOUISIANA**  
**STATEMENT OF CASH (AND EQUIVALENTS) FLOWS**  
**For the Fiscal Year Ended June 30, 2007**  
**with Comparative Totals for June 30, 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash Flows From Operating Activities:</b>		
Taxes Received	\$ 932,892	\$ 713,979
Receipts From Customers	191,137	141,380
Payments For Goods and Services	(417,713)	(197,177)
Payments To Employees For Services	<u>(166,565)</u>	<u>(131,093)</u>
Net cash Provided By Operating Activities	539,751	527,089
<b>Cash Flows From Capital And Related Financing Activities:</b>		
Payments For Building And Improvements	-	(683,251)
Land Improvements	(15,474)	(44,122)
Purchase of Property And Equipment	(153,361)	(19,481)
Purchase of Vehicles	-	(17,598)
Debt Service On Bond	(506,625)	(503,520)
Decrease (Increase) In Restricted Cash Accounts-Net	145,974	(191,552)
Capital Outlay Grant Receipt	<u>-</u>	<u>188,044</u>
Net Cash Used By Capital And Related Financing Activities	(529,486)	(1,271,480)
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Receipt of Intergovernmental-Parish	100,000	110,000
Receipt of Insurance Proceeds	-	119,920
Payments for Storm Damage Repair	<u>-</u>	<u>(25,590)</u>
Net Cash Provided By Non-Capital Financing Activity	100,000	204,330
<b>Cash Flows From Investing Activities:</b>		
Purchase Of Investments	(33,655)	(32,629)
Interest Income	170,238	127,095
Other Income	<u>546</u>	<u>563</u>
Net Cash Provided By Investing Activities	137,129	95,029
 Net Increase (Decrease) In Cash And Cash Equivalents	 247,394	 (445,032)
Cash Equivalents At Beginning Of Year	1,331,689	1,776,721
Cash Equivalents At End Of Year	<u>\$ 1,579,083</u>	<u>\$ 1,331,689</u>
<b>Reconciliation Of Operating Income (Loss)</b>		
To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 380,731	\$ 529,169
<b>Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities:</b>		
Depreciation Expense	268,257	188,245
Increase In Taxes Receivable	(14,478)	(188,521)
Increase In Miscellaneous Receivable	(134)	(148)
Increase In Prepaid Insurance	(4,334)	(708)
Increase (Decrease) In Sales Tax Payable	1,089	(102)
Increase In Accounts Payable	2,651	1,788
Increase (Decrease) In Payroll Taxes Payable	299	(89)
Decrease in Deferred Income	(94,330)	-
Decrease in Accrued Leave	<u>-</u>	<u>(2,545)</u>
Total Adjustments	159,020	(2,080)
Net Cash Provided (Used) By Operating Activities	<u>\$ 539,751</u>	<u>\$ 527,089</u>

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

This report includes all funds that are controlled by or dependent on the Board. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

**B. Fund Accounting**

The accounts of the Board are organized on the basis of a proprietary fund which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses, incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**C. Basis of Accounting**

The Board has implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*.

The District's statements of net assets and revenues, expenses, and changes in fund net assets are presented using the economic resources measurement focus and the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when incurred.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY**  
**CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**As of and for the year ended June 30, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Investments**

This report includes all funds that are controlled by or dependent on the Board. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

**F. Capital Assets**

All capital assets are recorded at cost and updated for additions and retirements during the year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Land and construction in progress are not depreciated. The Authority maintains a capitalization threshold of \$1,000. The Authority does not possess any infrastructure. Interest costs incurred during construction are not capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets life are recorded as expenses. Donated assets are recorded at their estimated fair market value at the time of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five to forty years.

The following is a schedule of changes in fixed assets in the year:

	Beginning of Year	Additions	Deletions	End of Year
Building	\$ 5,469,982	\$ -	\$ -	\$ 5,469,982
Land	828,901	-	-	828,901
Land Improvements	345,330	15,474	-	360,804
Vehicles	44,297	-	-	44,297
Furniture and Equipment	214,006	153,361	-	367,367
Construction in Progress	46,158	-	-	46,158
Totals	6,948,674	168,835	-	7,117,509
Accumulated Depreciation	(252,452)	(268,257)	-	(520,709)
Net	\$ 6,696,222	\$ (99,422)	\$ -	\$ 6,596,800

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Compensated Absences**

The Authority has the following policy relating to vacation and sick leave:

**Vacation**

Each full-time employee shall be entitled to take vacation with pay in the following manner:

An employee of the Authority will earn one week's vacation after six (6) months from his/her hire date and it can be taken at the end of that period. After twelve (12) months service, he/she is eligible for an additional week of vacation.

One year.....	2 weeks
More than three years.....	3 weeks
More than ten years.....	4 weeks
More than fifteen years.....	5 weeks
More than twenty years.....	6 weeks

**Sick Leave**

Sick leave shall be credited to regular employees at the rate of .0462 hours for each hour of work. Hours of work shall be defined as regular hours worked, holidays, and vacation time. (This is equivalent to eight (8) hours of sick leave per month.) This shall be granted to employees during the first year of continuous employment. After one year of continuous employment, the employee shall accumulate sick leave at the rate of .0692 hours for each hour of work. (This is equivalent to twelve (12) hours of sick leave per month.) After reaching a 600-hour plateau of accumulated sick leave, an employee will accumulate sick leave at a rate of .1154 hours for each hour of sick leave and other miscellaneous paid leave. (This is equivalent to twenty (20) hours of sick leave per month.) If an employee shall fall below the 600-hour plateau due to extended illness, employees shall still retain the benefit of accumulating sick leave at a rate of .1154 hours for each hour worked plus sick leave and other miscellaneous paid leave.

The Authority's recognition and measurement criteria for compensated absences is as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the employees earn the benefits if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Compensated Absences (Continued)**

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

**H. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods and services. The commitments (purchase orders, contracts, and other commitments for the expenditures of funds) are not treated as expenditures until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management

**I. Net Assets**

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Authority, legislation or external restrictions by creditors, grantors, laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

**J. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**K. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY**  
**CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**  
**As of and for the year ended June 30, 2007**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2007 the Authority had cash and cash equivalents (book balances) totaling \$1,792,257 as follows:

Non interest-bearing demand deposits-current	\$ 1,100
Interest-bearing demand deposits - current	1,577,983
Interest-bearing demand deposits - restricted	<u>213,174</u>
Total	\$ <u>1,792,257</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2007 the Authority had \$1,795,689 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,695,689 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds on demand.

Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**NOTE 3 - INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Authority's investment policy. Investments are reported at their fair value and are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the authority or its agent in the authority's name
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the authority's name
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 3 – INVESTMENTS (Continued)**

At June 30, 2007, the Authority's investment balance was as follows:

Type of Investment	Category			Carrying Amount	
	1	2	3	Fair Value	Cost
Certificates of Deposit	\$ -	\$ -	\$ 2,109,619	\$ 2,109,619	\$ 2,000,000
Total investments				<u>\$ 2,109,619</u>	<u>\$ 2,000,000</u>

These investments are secured from risk by \$100,000 of federal deposit insurance and \$2,009,619 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**NOTE 4 – RESTRICTED CASH**

The Authority has established an account to be utilized for construction costs of the facilities. As of June 30, 2007 the amount restricted was \$7,685.

Trust funds have been established to provide for the retirement of principal and interest on the bond. These funds are held with a paying agent on behalf of the Authority. The balance at June 30, 2007 was \$213,174.

**NOTE 5 – COMPENSATED ABSENCES**

At June 30, 2007, the employees of the Authority have accumulated and vested \$2,969 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

**NOTE 6 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees, and natural disasters. The Authority has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

**NOTE 7 – BONDS PAYABLE**

The Authority issued \$4,000,000 in excess revenue bonds dated May 1, 2002, due in annual installments of \$320,000 - \$495,000 through May 1, 2012, plus interest at 4.625%. These certificates were issued for the purpose of providing a portion of the funds necessary to acquire and construct a multi-purpose arena and sports complex with all necessary equipment and furnishings.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 7 - BONDS PAYABLE (Continued)**

Annual debt service requirements to maturity for the excess revenue bonds as of June 30, 2007 are as follows:

Year Ending June 30,	Revenue Principal	Bonds Interest
2008	410,000	103,831
2009	425,000	84,868
2010	445,000	65,213
2011	470,000	44,632
Thereafter	495,000	22,894
	<u>\$ 2,245,000</u>	<u>\$ 321,438</u>

Changes in bonds payable were as follows:

Bonds Payable - July 1, 2006	\$ 2,630,000
Bonds principal retired	<u>(385,000)</u>
Bonds Payable - June 30, 2007	<u>\$ 2,245,000</u>

**NOTE 8 - RETIREMENT COMMITMENTS**

The Authority does not provide retirement benefits. The employees of the Authority participate in the Social Security system and retirement benefits are provided by that system. The Authority is not responsible for any post-employment benefits. The Authority has only the usual obligations to make current matching payments to the social security system for active employees.

**NOTE 9 - FLOW OF FUNDS; RESTRICTIONS ON USE**

Under the terms of the bond resolution on outstanding excess revenue bonds dated May 1, 2002, all excess revenues are irrevocably pledged and dedicated, as well as those funds and monies budgeted, allocated, available, dedicated, set aside or otherwise to be utilized to fund or make debt service payments on the outstanding certificates. Pursuant to a Collection and Disbursement Contract by and between the Authority, and the State, through the Department of the Treasury (the "Treasury") and the Department (the "Department") of Revenue and Taxation, the Department agrees that, to the extent tax revenues are appropriated in each fiscal year by legislature as required by the Tax Act, it will transfer Tax Revenues from the West Calcasieu Parish Community Center Fund to the Revenue fund established by the Certificate Resolution with the Paying Agent / Registrar for the Certificate.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

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**NOTES TO THE FINANCIAL STATEMENTS  
As of and for the year ended June 30, 2007**

**NOTE 9 - FLOW OF FUNDS; RESTRICTIONS ON USE (Continued)**

In order that the principal and interest of the Certificate will be paid in accordance with their terms and for other objects and purposes, the following special trust funds have been established, to be maintained and held by the Paying Agent / Registrar, for and on behalf of the holders of the certificates:

- (1) Series 2002 Excess Revenue Certificates of Indebtedness Fund (the "Revenue Fund"); and
- (2) Series 2002 Excess Revenue Certificates of Indebtedness Sinking Fund (the "Sinking Fund").

**NOTE 10 - INTERGOVERNMENTAL REVENUE**

The District entered into a cooperative agreement with the Calcasieu Parish Police Jury to provide for an annual contribution of \$100,000 from the Burton Coliseum and Agricultural Services tax for a period of ten (10) years beginning January 1, 2004.

**NOTE 11 - CONSTRUCTION COMMITMENTS**

Construction In Progress consists of the preliminary design fee for the architects on Phase II Conference Center. The total projected cost to complete construction is \$7,418,252.

**NOTE 12 - ECONOMIC DEPENDENCY**

The Authority relies on the appropriation from the State of Louisiana from the Hotel Occupancy Tax funds to provide for the payment of bond principal and interest. If the State does not continue to appropriate funds for the Authority, their ability to retire their debt would be significantly affected.

**NOTE 13 - BOARD PER DIEM**

The members of the governing board received no per diem for the year ended June 30, 2007.

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**Report on Compliance and on Internal Control over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

To the Board  
West Calcasieu Community Center Authority  
Sulphur, Louisiana

We have audited the financial statements of Calcasieu Parish Community Center Authority as of and for the year ended June 30, 2007, and have issued our report thereon dated December 31, 2007. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calcasieu Parish Community Center Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the board's financial statements that is more than inconsequential will not be prevented or detected by the board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Calcasieu Parish Community Center Authority financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Members

American Institute of Certified Public Accountants  
Louisiana Society of Certified Public Accountants

This report is intended for the information and use of management; others within the Board, the Board of Directors and the Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

December 31, 2007

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY  
CALCASIEU PARISH, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES  
For the Year Ended June 30, 2007**

**Prior Audit Findings**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 1).

**Current Audit Findings**

There were no current year audit findings.

**West Calcasieu Parish Community Center Authority  
Calcasieu Parish, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2007**

We have audited the financial statements of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

a. **Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses ☐ Yes ☒ No Other Conditions ☒ Yes ☐ No

**Compliance**

Compliance Material to Financial Statements ☐ Yes ☒ No

**Section II Financial Statement Findings:**

There were no current year financial statement audit findings.

**West Calcasieu Parish Community Center Authority  
Calcasieu Parish, Louisiana**

**SCHEDULE OF PRIOR YEAR FINDINGS**

**Year Ended June 30, 2007**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
<b>2006-1 - Document and Retain Written Confirmation in Compliance with Bid Law</b> We recommend documentation be obtained and retained when telephone or facsimile quotations are required.	Resolved
<b>SECTION II - MANAGEMENT LETTER</b>	
<b>ML 2006-1-Maintain an Accounts Payable System</b> We recommend that the Authority consider using existing computer system to process and manage accounts payable.	Resolved
<b>ML 2006-2-Reconcile Accounts to Supporting Documentation</b> It is recommended that bank reconciliations be reconciled to the monthly cash and general ledger balances.	Resolved
<b>ML 2006-3-Increase the Threshold for Capitalization of Fixed Assets</b> It is recommended the Authority increase the capitalization policy.	Resolved

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

**West Calcasieu Parish Community Center Authority  
Calcasieu Parish, Louisiana**

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

**Year Ended June 30, 2007**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
There were no current year findings.	
<b>SECTION II - MANAGEMENT LETTER</b>	
<b>ML 2007-1 - Completion of Check Request Form</b> It is recommended that the check request forms that accompany checks submitted for payment bear the appropriate approval.	Management will ensure the check request forms are initialed or signed for approval.

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT

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**MANAGEMENT LETTER**

To the Board of Directors  
West Calcasieu Parish Community Center Authority  
Sulphur, Louisiana

We have audited the financial statements of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated December 31, 2007, and our report on internal control and compliance with laws, regulations, and contracts, dated December 31, 2007.

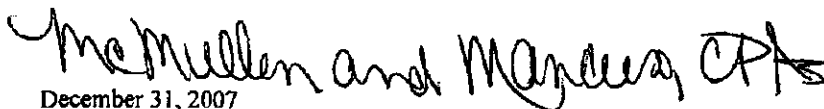
During the course of our examination, we became aware of the following matter which represent immaterial deviations of compliance or suggestions for improved internal controls.

**ML 2007-1 – Completion of Check Request Forms**

Checks submitted to the Executive Director for signature are accompanied by supporting invoices and a check request form, yet the check request form is not always initialed or signed for approval of payment. We recommend that the supporting documents and check request form bear the appropriate approvals that accompany the checks submitted for signature.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

McMullen and Mancuso, CPAs

  
December 31, 2007

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